

Business Sense

**By U.S. Representative Larry Combest (R-Texas)
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“Let’s Clear the Air for Small Business”

I often think about Ronald Reagan’s frustration at having become President of the United States, but yet hamstrung by an entrenched Washington, D.C. bureaucracy that slowed or ignored his efforts at reform. “When you create a government program,” said Reagan, “it becomes the nearest thing to eternal life you’ll ever see on this Earth.” The same appears true from my perspective in Congress of trying to move federal agencies into action. If a federal program has eternal life, then I’d say that the federal bureaucracy that exists to preserve it must surely be immortal.

To begin to bring the federal government down to size, I helped to pass new controls over the bureaucracy’s power to dictate costly and unfair regulations on the backs of small businesses. The 1996 Small Business Regulatory Enforcement Fairness Act and the Regulatory Flexibility Act required all federal agencies to clearly state the anticipated costs and benefits of new regulations and work with small businesses before regulations are proposed. Essentially, we in Congress were telling the federal government to stop and think about the burden before issuing new regulations.

It should not be necessary to state the obvious, but we all breathe the same air, and we also want it to be clean for our children and their children. When Republicans changed the Congress two years ago, we opted for common sense regulations to get more effective results. If you think about it, having rules and regulations everyone can understand and follow means they have few excuses and little room to hide behind legalistic reasons for not following the law. So, as we passed common sense regulations, Congress also insisted on federal agencies following common sense in working with small businesses to have rules that will work and can be understood and followed. It seemed like good ole, West Texas common sense to me.

However, one year later, bureaucrats at the Environmental Protection Agency (EPA) have proposed new regulations under the Clean Air Act that they readily admit may cause small businesses to experience potentially significant impacts. Small manufacturers could be forced to install expensive pollution control devices that simply do little more than bring higher costs to small companies and negligible help to clean air. There are businesses having fewer than 100 employees where the annual costs would exceed more than what they earn in sales. I am concerned that EPA underestimates the costs of compliance with regulations that are unrealistic and based on bad science.

The EPA says that as a federal agency, it claims to be exempt from regulatory fairness and flexibility because actually the states will be enforcing the new rules. EPA bureaucrats avoid responsibility for issuing the new rules by saying they just give the orders, they don’t carry them out.

One might think that EPA would welcome the opportunity to test its proposed regulations before they hit the brick wall of reality. EPA should still be smarting from its edict of a few years ago that said Lubbock would have to clean up air pollution caused by naturally-occurring dust storms. More than one rural newspaper editor poked fun at EPA’s expense over the ridiculous ruling before its Washington bureaucrats backpedaled.

If eternal vigilance is the price of freedom, then remaining on guard against an eternal

bureaucracy is the second greatest calling for elected officials. The Federal Register's notice of public comment (more accurately, public outcry) regarding EPA's newest standards resulted in a House Small Business Committee hearing in April to call EPA on the carpet about evading the regulatory fairness and flexibility requirements from Congress.

The heat felt by federal agencies, called up to Capitol Hill to try to explain themselves is only the first option we have in Congress. In a recent case for agriculture that I was involved with, the IRS backed down on taxing deferred payments on marketing contracts when faced with corrective legislation filed by Congress. In truly obstinate cases of federal agency foot-dragging, Congress has the Power of the Purse, withholding funds to focus agency attention.

As Vice Chairman of the House Small Business Committee, I know that it is not just this one regulation, as onerous as this one is. It is the cumulative impact of regulations spread out from all over government, that come pouring down onto small businesses. When I ran my small electronics wholesale business, just like every other small business owner, federal regulations and requirements made me not only the company's CEO, but its safety manager, human relations coordinator, and as many of us experience, chief cook and bottle-washer.

Small businesses exist because they have found ways to operate efficiently. A federal agency interested in results should want to work with these small entrepreneurs to make regulations that are effective, fair and flexible. If not, Congress is poised to intervene.

